

**Intergovernmental Water Board (IWB)**  
**Meeting Minutes**  
**July 11, 2007**  
**City of Tigard**  
**Town Hall**  
**13125 SW Hall Blvd.**  
**Tigard, OR 97223**

***Members Present:***

Gretchen Buehner	Representing the City of Tigard
Julie Russell	Representing the Tigard Water District
Bill Scheiderich	Member at Large
Dick Winn	Representing the City of King City

***Members Absent:***

Patrick Carroll	Representing the City of Durham
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***Staff Present:***

Public Works Director Dennis Koellermeier  
Water Quality & Supply Supervisor John Goodrich  
Accounting Supervisor Amanda Bewersdorff  
IWB Recorder Greer Gaston

**1. Call to Order, Roll Call and Introductions**

Commissioner Scheiderich called the meeting to order at 5:36 p.m.

**2. Approval of Minutes – June 13, 2007**

Commissioner Buehner motioned to approve the June 13, 2007, minutes; Commissioner Winn seconded the motion. The minutes were approved by unanimous vote, with Commissioners Buehner, Russell, Scheiderich, and Winn voting yes.

**3. Public Comments: None**

**4. Autumn Park Homeowners Association - Credit for Leak Request**

Ms. Bewersdorff provided background information regarding this credit for leak request. Based upon the prescribed process, a credit of \$1,486.80 was calculated. Credits exceeding \$500 require IWB approval.

Commissioner Buehner motioned to approve the adjustment as submitted;  
Commissioner Winn seconded the motion.

The Board briefly discussed the credit for leak policy, and Mr. Koellermeier offered to provide the Board with additional information on this topic. Commissioner Scheiderich requested a report on the matter.

The motion was approved by unanimous vote, with Commissioners Buehner, Russell, Scheiderich, and Winn voting yes.

## **5. Report on the Adoption of Intergovernmental Agreement Amendments**

Commissioner Scheiderich reported the City of Durham had approved the resolution to execute the tenants in common agreements and the bargain and sale deeds, and to amend the 1993 intergovernmental agreement. However, the Durham City Council asked for clarification in the two tenants in common agreements where it states valuation shall be in accordance with the 1994 Economic and Engineering Services (EES) study.

Commissioner Scheiderich said the Durham City Council wondered if valuation of a future sale was confined to the dollar value as opposed to the percentage of ownership. He added the value of the assets in 1994 will likely differ from the value of the assets at the time of any action.

Mr. Koellermeier referenced a handout containing a section from the EES study. This handout is on file in the IWB record. He called the Board's attention to page 8, "Utility Plant in Service," which detailed the methodology used to determine the value of fixed assets (other than land) based on a depreciation schedule. Since land does not depreciate, it would be appraised at the time of action.

Commissioner Scheiderich responded that the City of Durham was not questioning the depreciation of personal property; this value is fixed.

It was noted the EES study lists a 33 year depreciation schedule for buildings.

Commissioner Winn confirmed that the methodology for calculating the percentage of ownership had not changed. However, based on the application of the methodology, the actual percentage of ownership will fluctuate over time.

To address the City of Durham's concern regarding the agreements, Commissioner Scheiderich suggested modifying the reference to the EES study. The modification could indicate the percentage of ownership should be adjusted based on the methodology.

Based on Board consensus, Commissioner Scheiderich directed staff to have Tigard's city attorney clarify the tenancy in common agreements by adding language regarding valuation according to the 1994 EES study at the request of the Durham City Council. This could be accomplished by revising the agreements and initialing the changes or as an addendum.

Commissioners Buehner and Winn reported the City of Tigard and the City of King City had also adopted the resolution.

Commissioner Russell stated that the Tigard Water District (TWD) voted to adopt the resolution as well. She added there was a possible issue regarding public meeting notice and the TWD's decision may be challenged.

## **6. Consider a Water Building Lease with the City of Tigard**

Mr. Koellermeier informed the Board two changes had been made to the lease since they last reviewed it. Section 2.2-Escalation was added which requires adjustments in rent at five year intervals. The second change occurred on Exhibit B and under section 2.1-Base Rent and 2.3-Rent Credits where a miscalculation was corrected to reflect the

fact that improvements were annualized for a term of eleven and one-half years, instead of twelve and one-half years. This change affected some of the earlier calculations.

To address questions on how the rent was determined, Mr. Koellermeier called the Board's attention to a document entitled, "Background Information on Rental Calculations for the Water Building Lease." This handout is on file in the IWB record and describes the process used to determine rental rates.

Commissioner Buehner motioned to approve the commercial lease between the IWB and the City of Tigard for the Water Building; Commissioner Winn seconded the motion.

Ken Henschel, 14530 SW 144<sup>th</sup> Avenue, TWD Commissioner-Elect, commented that he thought the TWD had tabled the issue of the lease at its June meeting.

Bert Cornick, 14640 SW 141<sup>st</sup> Avenue, Tigard, Oregon, TWD Commissioner-Elect, added that he had not heard the TWD authorize the lease. He raised the issue of due diligence. Mr. Cornick also expressed concern that the City of Tigard had drawn up the lease and that the lease had not been properly reviewed. He questioned Mr. Koellermeier's knowledge in establishing the rental value.

Commissioner Russell expressed a desire to review the background information with the TWD.

The motion failed, with Commissioners Buehner and Winn voting yes, and Commissioners Russell and Scheiderich voting no.

The lease will be considered at the IWB's next meeting.

#### **7. Consider a Recommendation to the Tigard City Council Regarding an Amendment to the Joint Funding Agreement for the Tualatin Basin Water Supply Project (Hagg Lake Dam Raise)**

Mr. Koellermeier briefed the Board on this item, explaining title transfer work had been added to the project. This addition has driven up the cost and accelerated the schedule. The Board has supported the initial agreement, and a subsequent first amendment. A second amendment to the agreement was withdrawn. In order to remain in the project, the City of Tigard needs to execute the third amendment and continue to pay its share.

Commissioner Winn motioned to approve the amendment; Commissioner Buehner seconded the motion. The motion was approved by unanimous vote, with Commissioners Buehner, Russell, Scheiderich, and Winn voting yes.

#### **8. Consider a Recommendation to the Tigard City Council Regarding Participation in an Oregon Water/Wastewater Agency Response Network (ORWARN) Mutual Aid and Assistance Agreement**

Mr. Koellermeier briefed the Board on this item. He explained an Oregon-based group, ORWARN, was being formed. The group's mission is to promote statewide emergency preparedness, disaster response, and mutual assistance for public and private water/wastewater utilities. The agreement is voluntary and doesn't obligate the Board in

any way, but does establish a framework for providing or accepting assistance. Most Portland area agencies have executed the agreement, including the City of Portland.

Commissioner Buehner motioned to recommend the City of Tigard enter into the Oregon Water/Wastewater Agency Response Network; Commissioner Winn seconded. The motion was approved by unanimous vote, with Commissioners Buehner, Russell, Scheiderich, and Winn voting yes.

## **9. Water Supply Options**

Mr. Goodrich provided the following information:

- The area is experiencing high temperatures and water consumption has been in the 12 to 13 million gallons per day (mgd) range.
- ASR 2 is back online.
- Native groundwater wells are on.
- Water sources are as follows:
  - Per the City of Tigard contract, 6 mgd is coming from the Portland Water Bureau
  - 1.5 mgd is coming from the Joint Water Commission
  - 1 mgd is coming from Lake Oswego

Commissioner Scheiderich requested a weekly or daily graphic representation of water consumption, by source if available.

The Board discussed conservation efforts.

Ken Henschel, 14530 SW 144<sup>th</sup> Avenue, Tigard Water District Commissioner-Elect, inquired about how water smart rebates were publicized. Mr. Goodrich responded that he would look into it and check on mailing costs.

Mr. Koellermeier reported ASR 3 was at depth. Once the design of the casing is completed, production testing will take place. Work should be completed by mid-August.

## **10. Informational Items**

Mr. Koellermeier informed the Board the new reservoir is in the land use process. The timeline is to advertise the construction project in August, award the bid in September, and begin the earthwork in October.

Mr. Koellermeier gave a brief update on the progress of the water building renovation.

## **11. Non-Agenda Items:**

The Board discussed appointing a representative from the IWB to serve on a task force related to the Lake Oswego/Tigard partnership. Commissioner Scheiderich stated the Board would hold off on making this appointment until Commissioner Carroll was in attendance.

Mr. Koellermeier said Clean Water Services was working on a response to a citizen request regarding the use of reclaimed water in the downtown area. There are permitting and cost issues to be researched and this issue will come back to the Board at a future meeting. Commissioner Scheiderich inquired about irrigating with creek water.

Mr. Koellermeier discussed water rights through the Willamette River Water Coalition (WRWC). The state has given the application a favorable recommendation.

WaterWatch, who challenged the application, has withdrawn most of their concerns. The water rights have been consolidated and will ultimately be assigned to the WRWC. Tigard is guaranteed 22 mdg of these water rights.

Mr. Koellermeier reported the Tualatin Valley Water District's (TVWD) current preferred water source option is the Joint Water Commission. The TVWD is in the process of reviewing and updating costs.

**12. Next Meetings –**

- July 17, 2007  
6 p.m. – Dinner with Tigard and Lake Oswego City Councilors and Staff  
7 p.m. - Joint Meeting with the Tigard and Lake Oswego City Councils  
City of Tigard Town Hall, 13125 SW Hall Blvd., Tigard Oregon
- August 8, 2007, 5:30 pm  
Location to be announced

**13. Adjournment:**

Commissioner Scheiderich adjourned the meeting at 6:50 p.m.

  
Greer A. Gaston, IWB Recorder

Date: August 8, 2007